



House of Representatives

General Assembly

File No. 747

January Session, 2001

House Bill No. 6233

House of Representatives, May 10, 2001

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING THE MUNICIPAL OPTION TO PROVIDE
PROPERTY TAX CREDITS FOR AFFORDABLE HOUSING DEED
RESTRICTIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 12-81bb of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) As used in this section:

4 (1) "Residential property" means a single parcel of property on
5 which is situated a single-family residence or a multi-family building;
6 [in which the owner is an occupant;]

7 (2) "Affordable housing deed restrictions" means deed restrictions
8 filed on the land records of the municipality, containing covenants or
9 restrictions that require such single-family residence or the dwelling
10 units in such multi-family building to be sold or rented only to persons

11 or families whose income is less than or equal to eighty per cent of the
12 area median income or the state median income, whichever is less, and
13 that shall constitute "affordable housing" within the meaning of section
14 8-39a;

15 (3) "Long term" means a time period no shorter in duration than the
16 minimum time period for affordability covenants or restrictions in
17 deeds pursuant to subsection (a) of section 8-30g; and

18 (4) "Binding" means not subject to revocation, either by the owner or
19 a subsequent owner acting unilaterally, or by the owner or a
20 subsequent owner acting jointly with others, until the expiration of the
21 long-term deed restriction time period and enforceable for the
22 duration of the long-term deed restriction time period both by the
23 municipality and by any resident of the municipality.

24 (b) Any municipality may, by ordinance adopted by its legislative
25 body, provide property tax credits to owners of residential property
26 who place long-term, binding affordable housing deed restrictions on
27 such residential property in accordance with the provisions of this
28 section.

HSG	<i>Joint Favorable C/R</i>	PD
PD	<i>Joint Favorable C/R</i>	FIN
FIN	<i>Joint Favorable</i>	

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: None

Municipal Impact: Potential Revenue Loss

Municipal Impact:

Municipalities electing to extend property tax benefits to all residential buildings (not just dwellings that are owner occupied) providing low and moderate-income housing will experience a revenue loss.

OLR Bill Analysis

HB 6233

AN ACT CONCERNING THE MUNICIPAL OPTION TO PROVIDE PROPERTY TAX CREDITS FOR AFFORDABLE HOUSING DEED RESTRICTIONS.**SUMMARY:**

This bill extends municipal affordable-housing deed-restriction property tax credits to dwellings that are not owner occupied. Under current law, towns can adopt ordinances providing property tax credits to (1) single-family owner-occupied homes and (2) multifamily homes if the homeowner occupies one of the units and agrees to file a deed restricting the sale or rental of the dwelling to a low- or moderate-income individual at a price he can afford.

The bill maintains the program's other requirements. Among other things, deed restrictions must (1) last 40 years, (2) be filed in the municipal land records, and (3) contain covenants or restrictions that require single-family residences or the units in a multifamily building to be sold or rented only to people who earn no more than 80% of the area's or the state's median income, whichever is less. A unit is considered affordable if it does not cost the renter or owner more than 30% of his income.

EFFECTIVE DATE: October 1, 2001

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference

Yea 12 Nay 0

Planning and Development Committee

Joint Favorable Change of Reference

Yea 17 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 44 Nay 0